



Major Potash Deposit Near Holbrook, Arizona

Holbrook Area Potash Project

American West Potash

Winter 2012

Key Areas

- Will a mine come?
- What does this mean for the area?
- What does it look like?
- Water Usage

Holbrook Basin:

Significant Strategic Advantages

- ❑ Solid historical geologic analysis and modeling
- ❑ Significant potash reserve at shallow depths
- ❑ Will be conventionally mined, then followed by solution mining
- ❑ Great infrastructure- road, rail, electrical
- ❑ No oil and gas conflict
- ❑ Close to large agricultural and industrial markets: Southwest, California, Mexico, Ports for international shipments
- ❑ Potential for low cost construction and mining
- ❑ Favorable business climate; political stability

Potash

- What is it?
- Where is it found
- World statistics
 - Tons used-60mm
 - World trade
 - Domestic activity



Potash Projects and Reserves

- Canada
- Russia
- Other – Argentina, Peru, Congo, Thailand
- US
 - Carlsbad
 - North Dakota
 - Holbrook

American West Potash

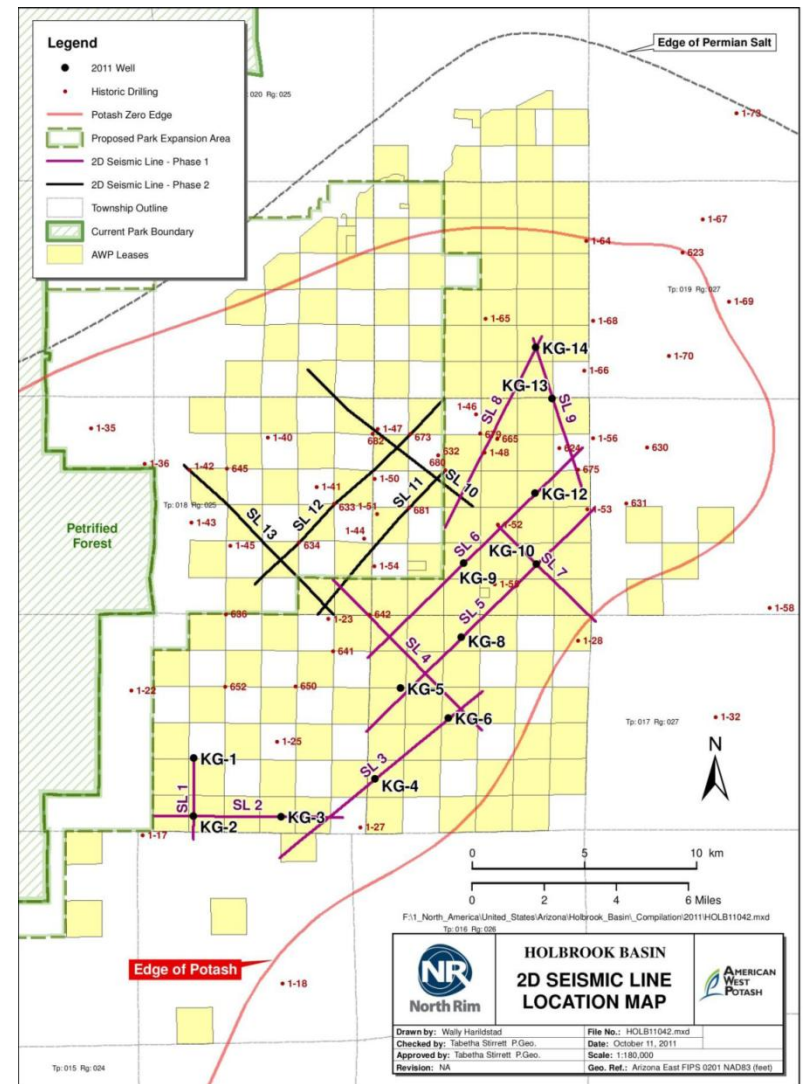
- We now have over two years of work in the Holbrook Basin
- Prospect Global – extensive experience in natural resource projects, financial and technical expertise
- Pat Avery – Executive Project Manager
- Developed strategic plan to prove-up potash resource

Accomplishments

- Leasehold accumulation through multiple transactions
 - 150 sections, 42 state sections, 108 private sections
 - Approximately 93,000 acres
- Completed 43-101 Resource Report
 - 718mm tonnes resource containing 82mm tonnes K_2O and 132mm tonnes KCl
 - 11.5% K_2O ore grade- 40-60 years of mining
- Prepared preliminary design, budget and permitting plan for full 2.0mm finished tonne production facility
- Completed Preliminary Economic Assessment (PEA) that shows our capital and operating costs to be very competitive and viable
- Teamed up with industry experts North Rim Exploration and Tetra Tech
- Created cooperative processes and relationships in the area

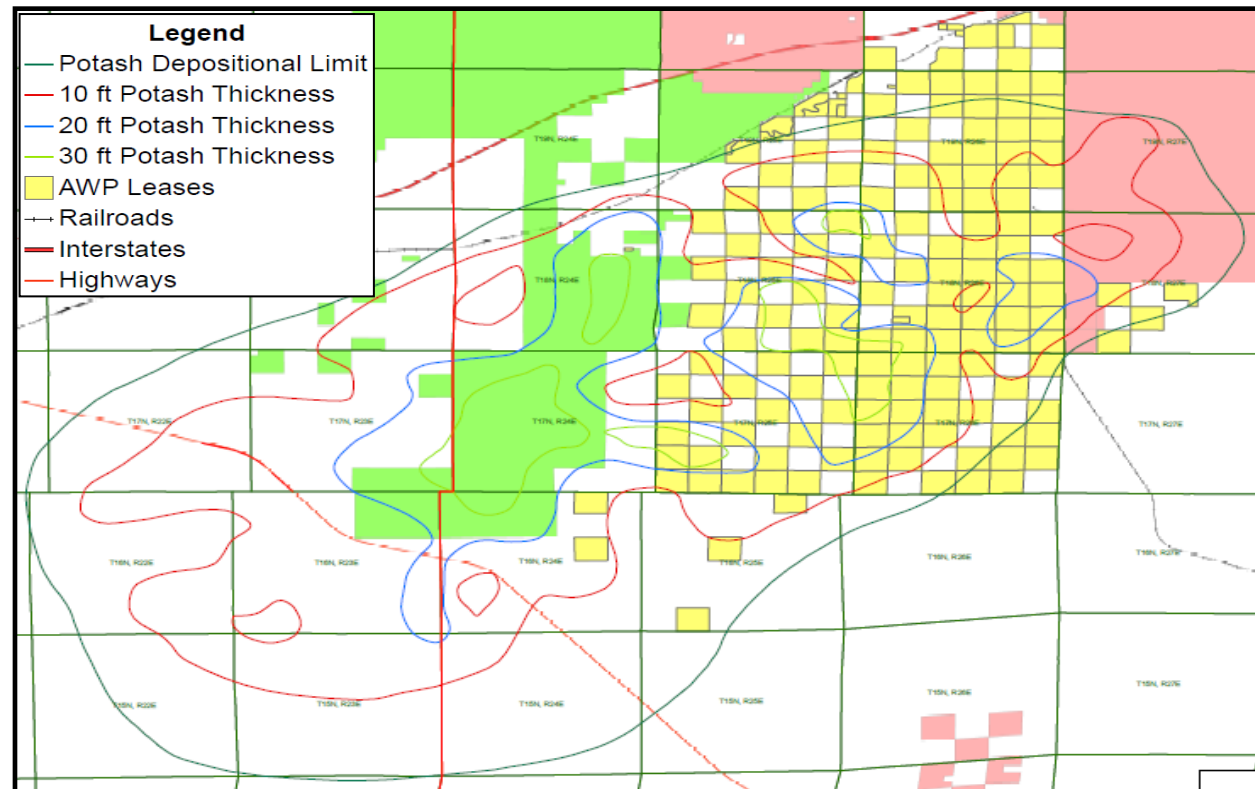
NI 43-101 Resource Calculation

- Drilled and cored 12 new wells; 6 wells twinned historical wells
- Acquired 70 miles 2D seismic
- Mapped all historical information
- Larger resource than initially anticipated
- Plan Phase 2 to increase resource



Strong Correlations

- New data showed strong correlation to Rauzi Report and historical data
- Justifies development of potash resource



Conclusion- Will a Mine Come?

- Significant land position and resource
 - 150 sections, 93,000 acres
 - 718mm tonnes resource containing 82mm tonnes K_2O and 132mm tonnes KCl - certified 43-101 report
 - 2mm tonnes per year production
 - > 40 year mine life
 - Certified Preliminary Economic Assessment- Very competitive in Capital and Operating Costs with global producers and developmental projects
- Cooperative efforts with adjacent land owners, Park, Economic Development, Counties, Cities
- Favorable region and conditions: reserves, depth, climate, markets and business environment

Next Steps

- Proceed with pre-development activity
 - 2012 Phase 2 Drilling Program
 - Mine Plan – First half of 2012
- Development activity
 - Feasibility study
 - Long term budget
 - File All State Permits- Spring 2012
 - Order Long Lead Equipment
- Construction

State and Local Benefits

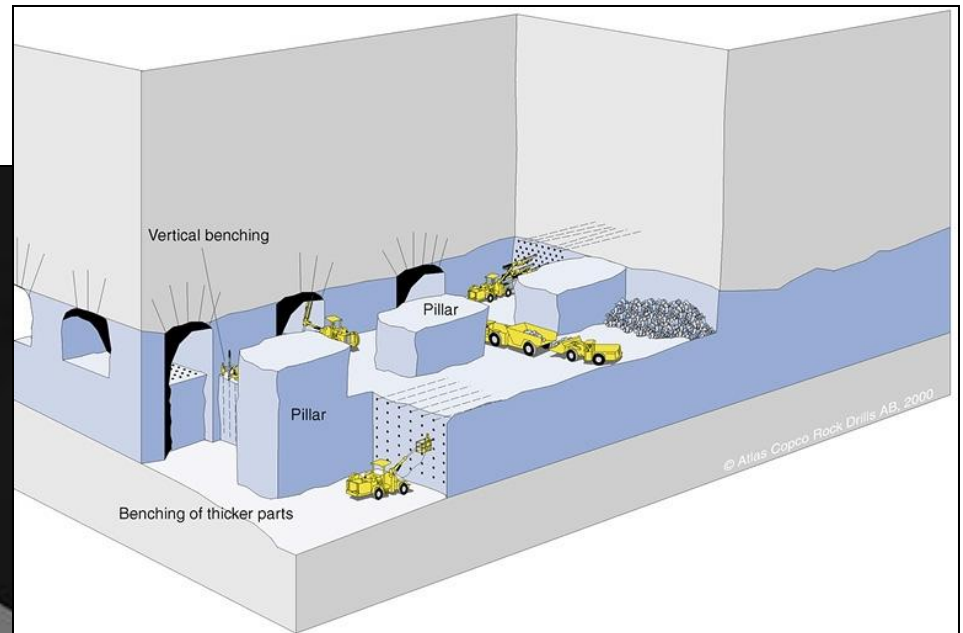
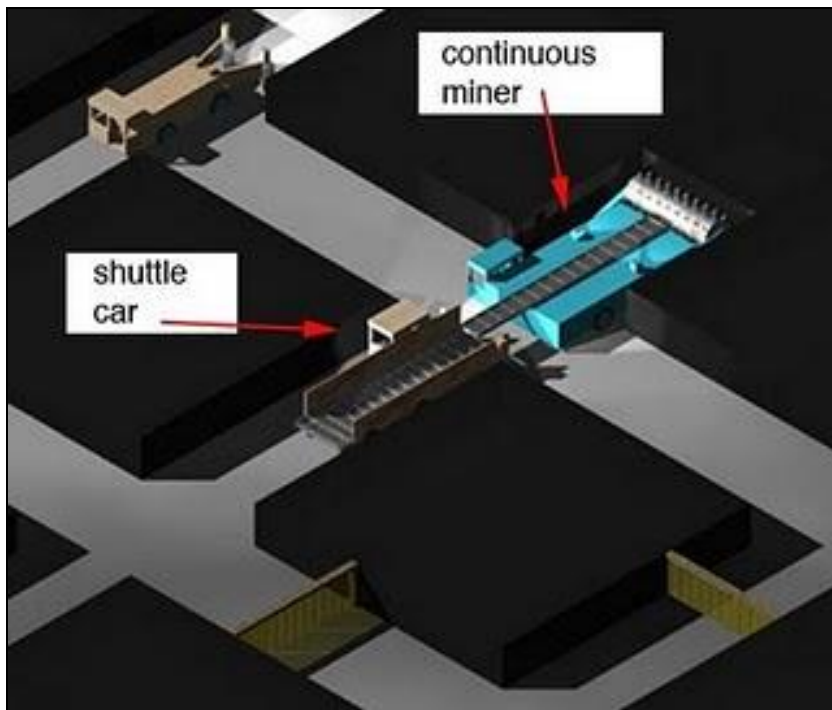
- Job Creation
 - Consulting and permitting: 1 – 1.5 years
 - Construction: 1 year, 500 – 800 jobs
 - Mining/Production: 300 – 400 jobs
- State royalty revenue (hundreds of millions)
- State and county ad valorem tax revenue
- Sales tax revenue (hundreds of millions)
- Underground mining reduces visual and environmental impact

What Does Potash Mining Look Like?

A Snap Shot of Potash Mining and Processing

- Underground Mine
- Surface Processing Plant: flotation, separation, drying
- Product Prep: sizing, granulation
- Product Storage and Rail/Truck Load Out
- Infrastructure: electrical, water, steam, roads, rail
- No hazardous steps, processes or chemicals

Underground Mining



Underground Mining

- ❑ Continuous miners cut the face
- ❑ Ore is moved by conveyors to production shaft

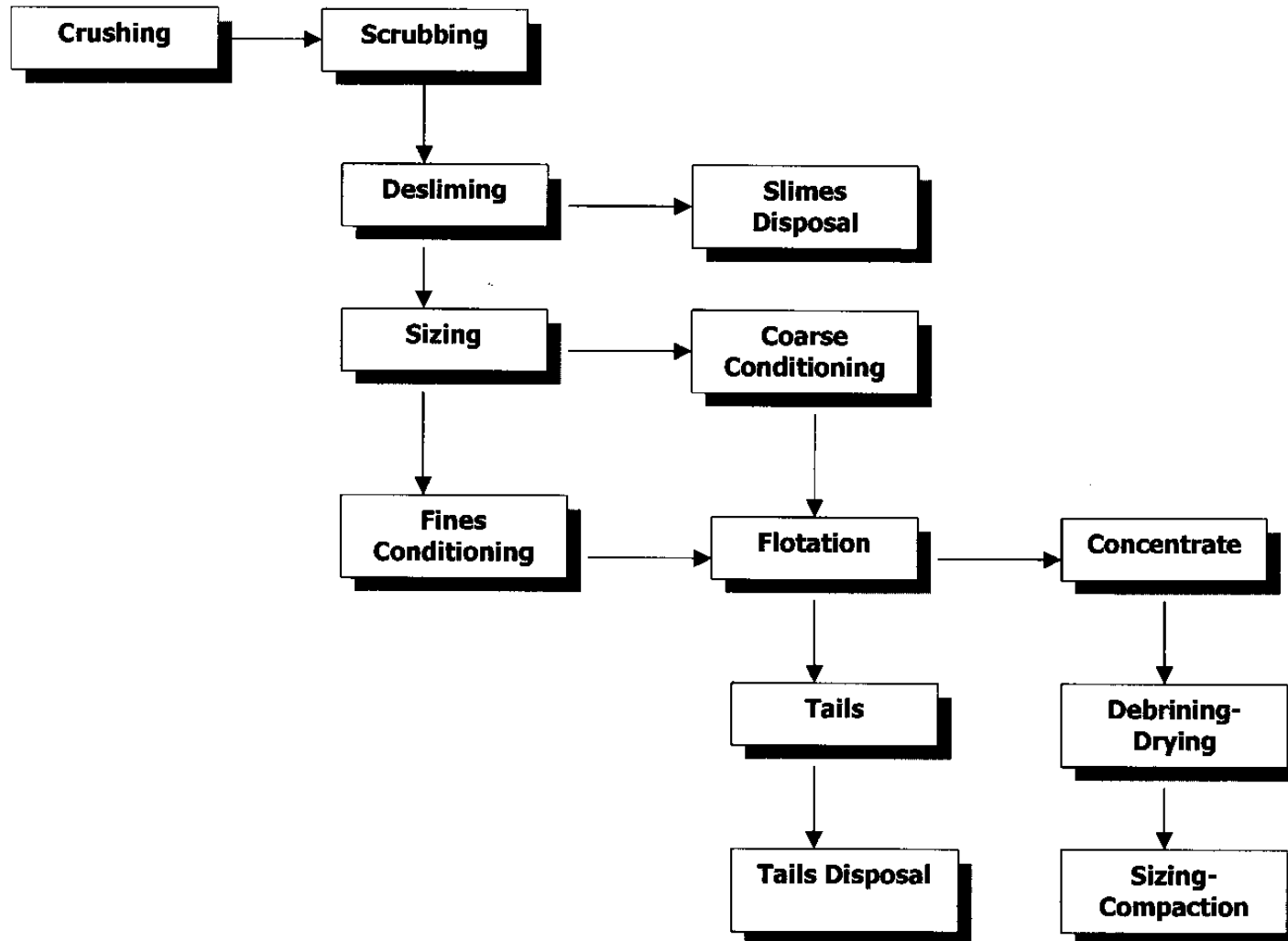


Surface Processing

Ore comes to the surface and is concentrated from 8% – 20% ore to 60% – 62% salable product



Surface Process



Flotation Building

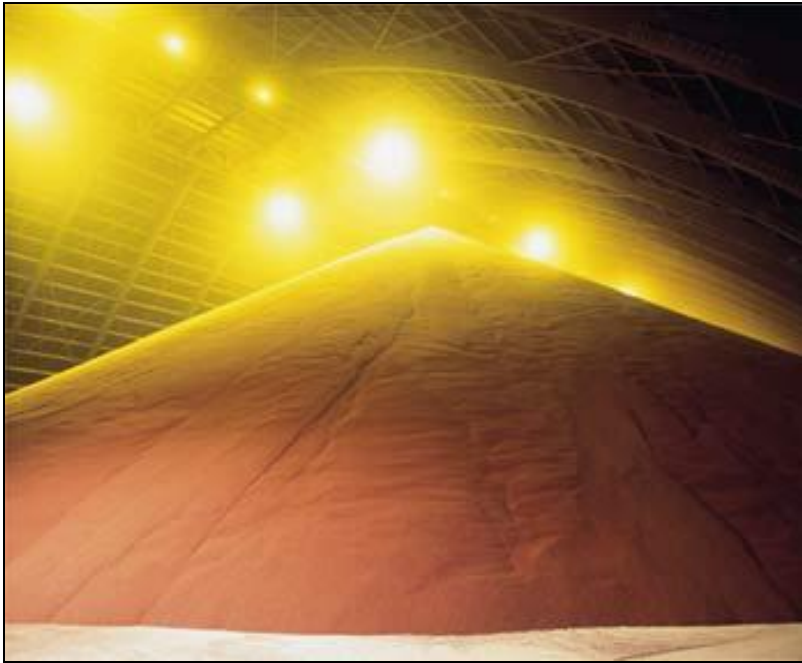


Water Usage

- Fresh Water Usage- @ 400gpm- 600 acreft/year
- Brackish Water Use- 1100gpm- 1365 acre/ft
- Total- 1500gpm- 2232 - acre ft
- About 1/15 of the power plant

Product

Holbrook will produce red standard and granular



Potash Facility – A good industrial partner and neighbor



Questions?



What Does It mean for the Area?
